

## **Literature Review On 'Apple Corp' Business Perspective**

Apple was one of mostly successful business founded in the 1970s that opposed the traditional notions of what a business culture should look like in organizational hierarchy (flat structure versus tall structure, casual versus formal attire, etc.). Other successful firms with similar cultural aspects from the same period include Southwest Airlines and Microsoft. Originally, the company stood in opposition to staid competitors like IBM by default, thanks to the influence of its founders; Steve Jobs often walked around the office barefoot even after Apple was a Fortune 500 company. By the time of the "1984" TV ad, this trait had become a key way the company attempted to differentiate itself from its competitor's (Deutschman, Alan: 22 NOV, 2010). According to a 2011 report in Fortune, this has resulted in a corporate culture more akin to a startup rather than a multinational corporation. (Lashinsky, Adam (August 25, 2011)

As the company has grown and been led by a series of chief executives, each with his own idea of what Apple should be, some of its original character has arguably been lost, but Apple still has a reputation for fostering individuality and excellence that reliably draws talented people into its employ. This was especially after Jobs return. To recognize the best of its employees, Apple created the Apple Fellows program, awarding individuals who made extraordinary technical or leadership contributions to personal computing while at the company. (Hertzfeldt, ndy, 26 may 2006)

Apple is also known for strictly enforcing accountability. Each project has a "directly responsible individual," or "DRI" in Apple jargon. (Lashinsky, Adam (August 25, 2011). As an example, when iOS senior vice president Schorger took projects with his involvement. (Brownlee, John (July 7, 2010) At Apple, employees are specialists who are not exposed. Tott Forstall refused to sign Apple's official apology for numerous errors in the redesigned Maps app, he was forced to resign. (Lashinsky, Adam (October 29, 2012).

Numerous employees of Apple have cited that projects without jobs involvement often took on functions outside their area of expertise. Jobs saw this as a means of having best-in-class employees in every role. For instance, Ron Johnson who was Senior Vice President of Retail Operations until November 1, 2011, was responsible for site selection, in-store service, and store layout, yet he had no control of the inventory in his stores (which is done company wide by then-COO and now CEO Tim Cook who has a background in supply-chain management). This is the opposite of General Electric's corporate culture which has created well-rounded managers. (Lashinsky, Adam: 24 Dec 2011)

Under the leadership of Tim Cook, who joined the company in 1998 and ascended to his present position as CEO, Apple has developed an extremely efficient and effective supply chain which has been ranked as the world's best for the four years 2007–2010. The company's manufacturing,

procurement and logistics enables it to execute massive product launches without having to maintain large, profit-sapping inventories; Apple's profit margins have been 40 percent compared with 10–20 percent for most other hardware companies in 2011. Cook's catchphrase to describe his focus on the company's operational edge is “Nobody wants to buy sour milk”. (Hoard Laser, 4 Nov 2011)(Apple company, 18 August 2008).

The company previously advertised its products as being made in America up to the late 1990s, however as a result of outsourcing initiatives in the 2000s almost all of its manufacturing is now done abroad. According to a report by the New York Times, Apple insiders "believe the vast scale of overseas factories as well as the flexibility, diligence and industrial skills of foreign workers have so outpaced their American counterparts that “Made in the U.S.A.” is no longer a viable option for most Apple products". (Duhigg, Charles; Bradsher, Keith (January 21, 2012))

Unlike other major US companies, Apple has a relatively simple compensation policy for executives, which does not include perks that other CEOs enjoy such as country club fees and private use of company aircraft. The company usually grants stock options to executives every other year. (The Associated Press, 27 Dec 2012).

A media article published in July 2013 provided details about Apple's "At-Home Apple Advisors" **support customer program** that serves as the corporation's call center. The advisors are employed within the U.S. and work remotely after undergoing a four-week training program that also serves as a testing period. The advisors earn between US\$9 and \$12 per hour, and receive intensive management to ensure a high quality of customer support. (*TechCrunch*. AOL Inc, 29<sup>th</sup> July 2013).

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